



Maricopa County
Ryan White Part A Program
Policy and Procedures

Contract Policies

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PURPOSE:

To guide the administration of the Maricopa County Ryan White Part A Program, Administrative Agent's (AA) contracts in regards to administrative, fiscal, quality management and client eligibility policies. The administration of funds must be consistent with Part A client eligibility criteria, the service category definitions established by the Ryan White Part A Planning Council and the requirements of the United States Department of Health and Human Services.

ADMINISTRATIVE POLICIES:

Grant award

Upon the AA's notification from the Health Resources and Services Administration (HRSA) that Ryan White Part A funds have been awarded to the Phoenix Eligible Metropolitan Area (EMA), funds are designated to service categories according to the Planning Council's Priority Setting and Resource Allocation (PSRA) directives. Funding amounts are then allocated to contracted service providers based on the following allocation methodologies: provider's previous grant year's spending (trends), funding increases or decreases to the service category, and the total number of contracted service providers for that service category.

Task Orders

Funding allocations (initial and reallocations) are distributed to contracted providers via task orders, outlining the service expectations, the allocation amount and any related conditions of award. Task orders are utilized internally at Maricopa County to open, increase and decrease purchase orders so that services are properly reimbursed to providers. Task orders are signed by the AA's Program Manager (or designated alternate) and the provider's authorized signatory. A sample task order is available in the Appendix.

Conditions of Award (COAs)

The task order outlines required conditions of award that must be submitted to the AA, as well as a specified timeframe for submission. Conditions of award include, but are not limited to: program budget (including schedule of deliverables), , licensing and qualifications, funding sources, subcontracting, services, and fees. Failure to meet all required conditions of award by the due date assigned could result in nonpayment for services/expenses rendered under the related task order. COAs and instructions for the current grant year are located in the Appendix.



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Program Budget

Part A contracts require a program budget for each funded service category. Contractors are required to notify the AA in writing of budgetary staff changes and significant expense and unit variances that would require additional funding. Revised budgets may be required under the following conditions: increase or decrease to the task order, changes in staffing or staffing model, changes to budget line items in excess of 10% or \$500, whichever is higher, or for any other reason deemed necessary by the AA. Budget templates are located in the Appendix.

Documenting Personnel Vacancies

If at the time of submission of a service budget one or more of the personnel positions are vacant, contractors must indicate this and provide a date when the positions will be filled, and prorate/apportion personnel and other associated costs to reflect reduced personnel allocation to the service. Alternatively, contractors may note the vacancy, with no associated cost, and develop the contract to reflect actual personnel staffing at the time of budget preparations, amending the budget to reflect ongoing personnel changes as they occur.

Contract Compliance Monitoring

The Maricopa County Ryan White Part A Program, Administrative Agent (Grantee) will monitor Ryan White Part A Program Contracted Service Providers' (Provider) compliance with, and performance under, the terms and conditions of the service contract(s) between the Provider and Maricopa County. On-site visits for contract monitoring may be made by the Grantee and/or its grantor agencies at any time during a provider's normal business hours, announced or unannounced. The Provider will make available for inspection and/or copying by the Grantee, all records and accounts related to the work performed or the services provided under the contract.

- Site visits for compliance monitoring can take place at a minimum of one time per annual grant year. Specific circumstances may justify more frequent review.
- Any amounts paid under the Provider agreement that are disallowed by a Federal, State, County or Grantee audit or site review will be reimbursed to the Grantee. The Grantee will notify the Provider in writing of the disallowance and the required course of action.
- Grantee shall have access to Provider facilities and has the right to examine any books, documents, and records of the Provider, involving transactions related to the contract and that such books, documents, and records shall be disposed of in accordance with the Provider's record retention policy and in compliance with the Ryan White Part A contract requirements.

Circumstances/Criteria for Notification to Provider



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The Grantee shall, at a minimum, notify the Chair of the contractors' Board of Directors, CEO, Executive Director or other authorized contact of the following:

- Increases or decreases to contract values
- Contract terminations
- Policy changes and announcements
- Site visit reports/assessments; and
- Other issues of concern or success impacting the contractual relationship or the quality or appropriateness of services delivered

Three-Year Bidding Cycle

The Grantee has established a three-year cycle for bidding on all Ryan White Part A Phoenix Eligible Metropolitan Area (EMA) service categories. This is subject to change by the Grantee. Bidding and application for contract with Ryan White Part A is managed by Maricopa County's Materials Management department.

Service Category Reallocation Approval by Planning Council

In the event that a reallocation of funds from one service category to another is deemed appropriate according to the Administrative Agent's monitoring of the provider fund utilization, a recommendation regarding the reallocation will be submitted to the Planning Council for approval before such a reallocation occurs. This ensures compliance with HRSA regulations.

Provider reallocations

The Grantee, with cause, by written order, may make changes within the general scope or funding amount of providers' task orders in any one or more of the following areas:

- Schedule of Deliverables activities reflecting changes in the scope of services, funding source, or Federal or County regulations;
- Administrative requirements such as changes in reporting periods, frequency of reports, or report formats required by funding source or County regulations, policies or requirements, and/or
- Changes to contractor fee schedules and/or budgets.
- Changes in reimbursement methodology.



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Examples of cause would include, but are not limited to, contractual non-compliance, low performance, reallocations approved and directed by the Administrative Agent or Planning Council, or other approved directives from the Planning Council.

Reporting Requirements

- In addition to monthly billing (see Billing Requirements) and clinical quality management reporting requirements, the provider must furnish the following to the grantee. Due dates for reports will be released by the Grantee.
- Annually: The Ryan White Data Report (RDR)*, an aggregate compilation of client demographic and service data, is required to be completed by all contractors. More information on the RDR can be found at <http://hab.hrsa.gov/rdr/>.
- Bi-annually: Submission of the Ryan White Program Services Report (RSR)*, provider- and client-level reports, is required to be completed by all contractors. More information on the RSR can be found at <http://hab.hrsa.gov/manage/CLD.htm>.
- Additional monthly, quarterly and annual reports may be required as needed for fiscal and programmatic monitoring.

*CAREWare tools will assist with the completion of the RDR and RSR. See additional information in the CAREWare manual.

Religious Activities

- The Provider and any of its subcontractors will offer all federally-funded services to all eligible clients without regard for the religious or non-religious beliefs of those individuals; and
- Regarding providers and their subcontractors, any activities that contain inherently religious content will be kept separate in time and location from any services supported by direct federal funding, and if provided under such conditions, will be offered only on a voluntary basis.

CAREWare

All Part A Providers are required to utilize CAREWare for client level data reporting and referrals including but not limited to, demographic and service measures as required. Providers must adhere to procedures regarding CAREWare data entry requirements, as outlined in Section 4.

The Ryan White Part A Program will provide software and training for the collection and reporting of required information.



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Eligibility

All direct services billed to the Ryan White Part A grantee will be linked to an eligible HIV-positive client. Eligibility is determined based on the client's HIV diagnosis, household income, residency and alternative payer status. Additionally, clients must, within 30 calendar days of receiving their first service at a provider site (a "new client" to the provider), sign the currently approved Ryan White Release of Information form, and receive and sign acknowledgment for receipt of Client Rights and Responsibilities and Grievance Procedures for the provider agency. See the Eligibility policy for more information on additional eligibility requirements.

FINANCIAL POLICIES:

HIV/AIDS Bureau (HAB)/Division of Service Systems (DSS) Expectations

The Part A grantee is responsible for the proper stewardship of all grant funds and activities. This requires a Financial Management System that properly records all financial transactions and equitably allocates expenses to programs or services in accordance with generally accepted accounting principles.

Recipients' financial management systems shall provide for the following:

- Records that identify adequately the source and application of funds for federally-sponsored activities;
- Effective control over and accountability for all funds, property and other assets.
- Separate accounting of contract funds received and related expenditures;
- Separate accounting for both direct and indirect cost transactions;
- Comparison of outlays with budget amounts for each contract;
- Written procedures for determining the reasonableness, allocability and allowability of costs in accordance with the provisions of the applicable Federal cost principles and the terms and conditions of the award;
- Accounting records including cost accounting records that are supported by source documentation.

It is the responsibility of the Part A grantee to ensure that all contracted entities maintain a high level of accountability in the services that they provide under the



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Ryan White Part A grant. This section details the procedures set by the Grantee in regards to fiscal accountability for all entities that provide services under contract with the Ryan White Part A grant.

Allowable Costs

Allowable costs are costs incurred and eligible for reimbursement for the activities associated with providing services under a grant award. OMB has developed cost principles relating to the general requirements of all entities receiving federal funds. Subcontractors are required to comply with the applicable cost principles as described in the OMB Circulars: A-122, "Cost Principles for Non-Profit Organizations"; A-87, "Cost Principles for State, Local, and Indian Tribal Governments"; and A-133, "Audits of States, Local Governments, and Non-Profit Organizations." As a broad guideline, the General Principles of Circular A-122 are outlined in the following section:

Factors Affecting Appropriateness of Costs

To be allowable under an award, costs must meet the following general criteria:

- Be reasonable for the performance of the award and be allocable thereto under these principles;
- Conform to any limitations or exclusions set forth in these principles or in the award as to types or amount of cost items;
- Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the organization;
- Be accorded consistent treatment;
- Be determined in accordance with generally accepted accounting principles (GAAP);
- Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period;
- Be adequately documented;
- All activities performed must be directly related to the HIV-related clinical status of an eligible client and documented appropriately in the client chart.

Reasonable Costs

As described in the OMB Circulars listed above (see Allowable Costs and Factors Affecting Appropriateness of Costs), providers are responsible for determining if



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costs incurred are reasonable for the provisions of providing the service within the scope of the contract award. A cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the costs. Consideration for reasonableness could include the following:

- Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the organization or the performance of the award.
- The restraints or requirements imposed by such factors as generally accepted sound business practices, arms length bargaining, Federal and State laws and regulations, and terms and conditions of the award.
- Whether the individuals concerned acted with prudence in the circumstances, considering their responsibilities to the organization, its members, employees, and clients, the public at large, and the Federal Government.
- Significant deviations from the established practices of the organization which may unjustifiably increase the award costs.

Unallowable Costs

In addition to the cost principles outlined by the OMB circulars, Ryan White funds are further restricted by the Health Resources Services Administration (HRSA). Additional restrictions may also be identified within contracts specific to a service. Standard items are addressed within contract. In addition, the following items are disallowed:

- Non-Food Products – Ryan White funds may not be used for household appliances, pet foods or products.
- Syringe Exchange –Funds may not be used for syringe exchange programs.
- Residential Substance Abuse Treatment – Ryan White funds may not be used for inpatient detoxification in a hospital setting.
- Vision Care – Funds may only be used for optometric or ophthalmic services and purchase of corrective prescription eye wear that is necessitated by HIV infection.
- Employment Services – Funds may not be used to support employment, vocational rehabilitation, or employment-readiness services.
- Clothing – Funds may not be used for purchase of clothing.
- Transportation – Funds may not be used for clients to travel to appointments other than those that support their HIV medical care and the support services required to keep them in care.



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- Prevention Education Services – Funds may not be used for basic HIV-education, HIV testing, addressing sexually-transmitted diseases or condom distribution. In addition, any education activities NOT directly linked to increasing access of the target populations to HIV care services are disallowed.
- Service Outside EMA – Funds may not be used for services provided outside Maricopa or Pinal counties.
- Services to Persons in Correctional System – No services may be provided to persons in the correctional system, except for services related to the transition to community HIV services pending release from the correctional institution.
- Services provided by volunteers, interns, and other non-paid staff are not billable to or reimbursable by Ryan White Part A. All units of service must be provided by the staff included in the approved budget. Contractors shall be compensated only for services provided by the staff and the staff classification/positions included or referenced in the approved budget.

Administrative Costs

For each contract, the budgeted administrative costs and direct service costs must be delineated (see Budget template). Administrative costs, including a federally-approved indirect cost rate, cannot exceed **10%** of the total contract award.

Per HRSA guidelines, the Administrative Agency also imposes the **10%** administrative cost cap for all subcontracts granted by the original contractor for services. This means that a provider that utilizes subcontracts for services under the Part A contract must also ensure that its subcontractor limits its administrative costs to no more than **10%** of their subcontract.

Section 2604(f)(3) of the CARE ACT defines allowable contractor/subcontractor administrative activities to include:

- (A) Usual and recognized overhead, including established indirect rates for agencies;
- (B) Management and oversight of specific programs funded under this title; and
- (C) Other types of program support such as quality assurance, quality control, and related activities.”

Typical examples of administrative costs for contractors/subcontractors include general administration and general expenses. Examples include: salaries and expenses of executive officers, personnel administration, accounting, the costs of operating and maintaining facilities, and depreciation or use allowances on buildings



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and equipment. Included under management and oversight activities are costs associated with:

- Development of funding applications and proposals
- Receipt and disbursement of program funds
- Development and establishment of reimbursement and accounting systems
- Preparation of routine programmatic and financial reports, including the minimum requirements of completing the CARE Act Data Report (CADR)
- Compliance with contract conditions and audit requirements, and
 - Monitoring of and reporting on any subcontracts through telephone consultation, written documentation, or on-site visits.

Reporting and Documenting Client-Generated Revenue

Many contracts require that revenue (such as client co-pays consistent with an approved client sliding fee scale) be collected from clients with incomes greater than the currently published Menu of Services **in relation to** the Federal Poverty Guideline (FPG). These program budgets reflect the anticipated revenue as a budget component, or as additional service units to be provided beyond those contractually obligated. If the collection of revenue is required, then the revenue should be collected and reported by discrete service (*i.e.*, specific to each contract). Revenue may only be applied to the service and contract for which it was collected. As an example, revenue collected from case management services may only be used to provide service units as included in the respective case management contract. If the collection of revenue is required, providers should include the estimated amount of revenue to be collected during the contract period in the underlying budget, and report collection of revenue in the CAREWare financial report.

Billing Requirements

Providers are required to submit separate monthly fiscal and program reports for each service category/contract to the Grantee no later than the fifteenth (15th) day of the month following the month services were provided (or date designated by the Administrative Agent).

Upon receipt of monthly bills, providers/contractors may be contacted in writing and informed of any missing documents or information in the bill, and can be given up to three (3) business days to submit the missing items. Failure to submit the missing items within the three-day timeframe may result in the bill being returned to the provider and a 10% monetary penalty imposed. Bills will be returned via the United States Postal Service (or other method deemed appropriate per the Administrative Agent) attention to the provider/contractor's authorized contact. The provider may resubmit all items of the billing packet for reconsideration and payment. The AA will subtract the 10% penalty from the complete, resubmitted bill.



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At a minimum, the following documents will be due to the Ryan White Part A Program office on the fifteenth of each month (or day designated by the Administrative Agent) in the format required as explained below. Documents must be submitted electronically.

Due Monthly:

- Cover page (See Appendix), signed by the agency's authorized signatory
- CAREWare financial report (CAREWare)
- General Ledger (monthly, generated from provider's accounting system)
- Expense Calculation Worksheet for Medical and Non Medical Case Management¹ (Appendix)

Due Quarterly (June, September, December, March):

- Variance Report²

Late submissions and extensions:

- Late submissions are subject to a 10% monetary penalty.
- Requests for extension must be made in writing and submitted to the Program Supervisor at least 5 (five) business days in advance of the due date.
- Maximum extension allowed is 5 (five) business days.
- Providers are allotted a maximum of 4 (four) extensions per fiscal year.
- If extension deadline is missed, a 10% monetary penalty will be imposed.

QUALITY MANAGEMENT POLICIES:

¹ The Expense Calculation Worksheet for Medical and Non Medical Case Management is required for agencies offering both services, as determined and directed by the Grantee (see worksheet in Appendix section). Agencies that provide both medical and nonmedical case management must identify the amount of monies related to medical versus nonmedical case management. The report identifies the cost per service category, per expense based on the combined expense costs, units of medical case management and units of nonmedical case management.

² The Variance Report is to be completed and submitted on a quarterly basis and documents the budget versus actual expenditures and budgeted deliverables versus actual client/unit counts year-to-date. It includes quarterly expenditures and client/unit counts that exceed or fall below **10%** of the average expected expenditure amount by line item per the approved budget, and client/unit counts per the approved budget's schedule of deliverables. This report ensures that agencies will provide services during the entire contract period, and that services are being provided adequately to clients. Each expense and unit count outside a 10% variance requires written justification. Based upon review of such justification, source documents, further clarification, and/or a site visit may be required.



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All Ryan White funded contractors, per joint agreement of the Grantee and the Phoenix EMA Ryan White Part A Planning Council are required to implement strategies to ensure the quality of service delivery to Ryan White Part A clients is the highest possible. The following are required:

- Provider compliance with Public Health Guidelines and the local Standards of Care (for Standards of Care, see Appendix) as adopted by the Phoenix EMA Planning Council is required. Providers are further required to participate in the Quality Management Plan as requested by the Administrative Agency.
- Participation in QM training sponsored by the Ryan White Part A Program is mandatory.
- The Quality Management Office of the Ryan White Part A Program conducts periodic site reviews of providers in the Phoenix EMA. QM site reviews focus upon provider's compliance with the Standards of Care for the service categories established and prioritized by the Planning Council. Provider participation and cooperation in the site review process is contractually required.
- Providers may be required to report additional data for quality improvement purposes.
- Periodic administration of a survey to each client for each service provided to him/her per that year, consistent with the agreed-upon schedule delineated by the Ryan White Part A Program, Office of Quality Management. All surveys are returned to the on-site consumer survey box or mailed to the Part A Office.
- Retain release of information forms signed by the clients to gain permission to report their data to RWPA, State and Federal authorized entities and to view their records as a part of site visits and Quality Management review activities.